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ABSTRACT

The growing importance of the export market for the United States television industry--specifically, the structure of the syndication industry, and the strategies developed by U.S. producers and syndicators as a response to the new economic imperatives and the disciplining force of the international media environment on programing decisions--was analyzed using archival records of professional associations and conventions, a thorough examination of the trade press, and more than 30 letters from U.S. television producers and syndicators. The analysis revealed that, at a time when income derived from foreign markets is critical to the revenue equation of many U.S. television producers, American-made programing is experiencing the pressure of international competition. It was also found that the continuing trend toward more coproduction among European broadcasters, the increased sophistication of television production, and the existence of import barriers will make it difficult for U.S. companies to take full advantage of these important revenue-producing overseas markets without resorting to coproduction with foreign partners. (HOD)

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THE INTERNATIONAL MARKETPLACE FOR TELEVISION PROGRAMMING: NEW STRATEGIES FOR THE 1980s

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Abstract

This paper examines the recent strategy adopted by the U.S. television production industry in coping with the changing worldwide media environment. Developments at home include the commercial networks' declining audience share, the increasing penetration of cable TV, the spiraling production costs, and abroad, the coming of age and increased sophistication of the television industry and the strengthening of program import regulations. Access to foreign markets is becoming critical to the financial equation of U.S. producers and distributors of high-budget TV programs. International coproduction is the response to the new dynamics of worldwide television programming and a product of economic necessities.

THE INTERNATIONAL MARKETPLACE FOR TELEVISION PROGRAMMING:
NEW STRATEGIES FOR THE 1980s

American TV products, for better or worse, are setting the tone for television programming throughout the world in much the same way Hollywood did for motion pictures fifty years ago. From a sporadic export of a few features to Britain and Latin America in the 1950s, amounting to $20 million, telefilm sales have expanded to an estimated 1984 dollar volume of approximately one-half billion, spread through more than 100 nations. Developments taking place at home and abroad have dramatically affected the economics of U.S. television production.

On the domestic front the networks' declining share of audience, the demise of the situation-comedy format, the emergence of alternative distribution systems such as cable, pay-TV, satellite delivery and VCRs, the fierce competition within the trade, and increase in production costs have forced television producers and syndicators, both large and small, to rely increasingly on revenues from the international market to recoup costs and earn profits.

Overseas developments such as the competitiveness of products from a television industry reaching maturity, the trend toward commercialization of the long-time public broadcasting services, the fast-growing new technologies and distribution systems, and the strict regulation of programming imports have led U.S. companies, in need of foreign markets, to adopt a new strategy, the international coproduction.

This article traces the growing importance of the export market for the U.S. television industry. It analyzes the structure of the syndication industry, the strategies developed by U.S. producers and syndicators as a

response to the new economic imperatives and the disciplining force of the international media environment on programming decisions.

Given the scarcity of scholarly research in this area and difficulties in securing published data, this study is necessarily based on archival records of professional associations and conventions, a thorough examination of the trade press, and on more than thirty letters from (and personal interviews with) U.S. television producers and syndicators.[1] By demonstrating how the strategy of international coproduction is the product of economic necessities, this article maps a territory largely unexplored.

The Origins of International Syndication

In the early 1950s, Hollywood feature film studios were not interested in TV film production. They did not want to give aid and comfort to a competitor, the emerging television medium. Of the larger studios, only Columbia, through its Screen Gems subsidiary, broke ranks and went into telefilm production. By 1955, the leaders of the movie industry had concluded that television was here to stay and that they had better join it, rather than fight or ignore it. They were nudged to this conclusion by the hard facts of declining box office receipts, spiraling production costs, and the bright perspective of foreign syndication.[2]

As a matter of fact, Hollywood studios were doing well abroad. Beginning in the 1920s, but not really dominant worldwide until the 1940s, the overseas theatrical distribution of American feature films regularly accounted for half of Hollywood's total revenues. The television market was developing abroad as rapidly as it did at home. The motion picture companies, already familiar with the international market, foresaw the possibility of substantial revenues from television syndication of feature films. They also envisioned the overseas syndication of television programs originally produced in their own studios.

Until the beginning of the sixties, the United States alone had more television sets than the rest of the world combined. It was only in 1962 that the 53 million sets owned outside the United States for the first time surpassed the American total of 50 million. For the big distributors, this period changed marketing and production patterns in accordance with the new sales prospects.

The need for imported programs in the new television countries was more or less an artificial one, a product of the technology itself. Having introduced TV and made a large capital investment, countries felt obliged to make use of this equipment, which in turn created the need for foreign imported programs. Limited funds, inexperience, and American resistance to foreign programming, usually kept indigenous production very low while the more experienced and wealthy American producers took advantage of this opportunity to penetrate the foreign television market.[3]

Although there is no central organization for all the commercial exporters, the major motion picture companies involved in program exports established the Motion Picture Export Association in 1945. The MPEA is one of the several affiliate organizations of the Motion Picture Association of America that the film industry has used to operate in foreign markets. Its members are MCA, Metro-Goldwyn-Mayer, Allied Artists, Avco Embassy, United Artists, Columbia, Paramount, Twentieth Century Fox,and Warner Bros. In response to Hollywood's MPEA, the networks ABC, CBS, NBC and the larger independent syndicators formed the Television Program Export Association (TPEA) in 1960. They argued MPEA was dominated by its motion picture interests and could not clearly represent the U.S. TV industry in the world markets. The MPEA members responded that TV earnings of motion picture films are too sizeable, both in the U.S. and abroad, for them to maintain other than an aggressive TV posture

in all areas of the world. Defections from TPEA eventually led to its disappearance and to the strengthening of MPEA's Television Committee.[4]

As the potential of emerging foreign television markets piqued the interest of American networks, the character of the U.S. system was itself changing. Essentially, during the late 1950s, control over the big audience prime-time programs was passing from sponsors to the networks. The switch had a significant implication for the budding foreign market, because the associated replacement of live drama on American television with canned film shows meant that the stocks of exportable programming would soar.[5]

By 1968, the networks were acquiring the program rights for both domestic and worldwide exhibition directly from independent packagers for 80 percent of the regularly scheduled series hours.[6] This shift away from advertiser program provision enhanced the networks' control of programming decisions. Because of the spirit of cooperation that developed which characterizes the oligopolistic power of the networks, the "Big Three" were able to force price down, barely covering suppliers' production costs.[7] These contractual conditions did not allow producers to make profits on the network run. Their only way to recoup their costs (including normal profits) was through syndication. The overseas syndication market became increasingly important in the revenue equation.

Television syndicators, who felt pressure from the networks, complained to congressional committees and to the Justice Department of unfair competition. In 1970, the FCC passed the financial interest and syndication rules forcing the networks out of domestic syndication. The Commission expressed fears that the networks would take over the syndication business. The syndication market, domestic and international, is the driving force for

independent producers and represents the only alternative for advertisers to the oligopolistic network market.

The three American commercial networks no longer play an important role in the distribution of U.S. programs abroad. They have been restricted by the FCC to selling abroad only those programs which they completely produce, and this limits their catalogue to news, public affairs, sports, and documentaries. The business of overseas program sales now belongs to three groups: the major motion picture studios, the independent distributors who handle other organizations' productions, and the small producer/distributors who do not belong to the MPEA. In all, there are some 160 U.S. companies in the program exporting and distributing business, some of which are distributing commercial network programs produced prior to the FCC restrictions.

Operations of the many distribution companies overseas follow an oligopolistic pattern that led early to price-setting. The Export Association was registered under the Webb-Pomerene Export Trade Act of 1918. This legislation provided certain exemptions from the Sherman and Clayton antitrust acts for associations organized by American companies provided the groups operate only overseas. In effect, the Webb-Pomerene Act allowed firms nominally competitive in the American market to combine to fix prices and allocate customers abroad. Coming at a time when few companies were greatly concerned with foreign operations, the Act was an early effort by the Government to stimulate international expansion of American business and fight the formation of monopolies among its buyer countries.[8]

There were many attempts to remove this antitrust exemption which was eventually lifted in 1977. For example, in 1967, the Federal Trade Commission published a 50-year review of the Webb-Pomerene Act. It declared that the "kind of firms which have gained advantages from the Act has not been the

smaller firms in our economy, but rather those which are large in an absolute sense and which simultaneously have major positions in the market they serve... More often than not those exercising the right (to form export cartels) were least in need of it."[9]

The Nature of TV Syndication

The FCC defines syndication as "any program sold, licensed, distributed, or offered to television station licensees in more than one market within the United States for noninterconnected television broadcast exhibition, but not including live presentations."[10]

Syndicated program offerings comprise three general categories: (1) First run -- programs produced originally for syndication and consisting primarily of videotaped game shows, interview and variety programs; (2) Off-network -- programs initially produced for exhibition on network television. They consist of situation-comedies, action-adventure/dramatic programs, docu-dramas, and miniseries; (3) Movies -- including both theatrical and made-for-TV releases. For the most part, these films are also exhibited on network and cable television before entering the syndication market.[11]

The first category of programs is of no concern to foreign television markets because of the format of the show and the support used: 525-line, NTSC tapes cannot be played on foreign 625-line, PAL/SECAM facilities without a costly conversion procedure (except for Japan). The second and third categories constitute the quasi-totality of overseas syndication with the exception of videotaped situation-comedies. These program formats generally appeal to international audiences, and the fact that the programs are usually shot on universally-standardized 16mm or 35mm film enables a worldwide distribution.

The majority of U.S. exports are entertainment programs. Many of the major syndicators do not distribute newsfilms or documentaries at all. The ratio between entertainment and information programs is usually 90 percent to 10 percent, respectively. When only entertainment is distributed, series and feature films compose 60 percent and 40 percent when measured in dollars, but 70 percent and 30 percent, respectively, when measured in hours.[12]

Table 1 includes revenues of MPEA members only. However, about 85 percent of the total telefilm sales overseas are accounted for by the MPEA's nine member companies. From 1963 to 1983, there has been nearly a five-fold growth in revenues (in nominal dollars) from worldwide theatrical distribution and TV program syndication (column 2).

Over this twenty-year period, the overseas component of worldwide sales (column 3) increased at the same rate, thereby maintaining a constant share, around 50 percent (column 4). Looking only at this foreign sector, the growth in foreign TV sales (column 5) has outpaced foreign film sales, yielding a larger and growing share of the total revenues (column 6). From slightly over 20 percent in the mid-1960s, the revenues from television syndication represent in the early 1980s about 37 percent of total foreign (film and TV) distribution.

Knowing that the demand for their programs was relatively inelastic and after a decade of acquiescence to what they considered unfairly low prices, American exporters during the early 1970s raised the TV rental prices. The industry did realize a jump of $90 million in 1972 to $127 million in 1973 without significant loss of customers.

Where do U.S. telefilm distributors sell their wares abroad? The precise answer to this is obscured by the lack of definitive export statistics for these sales. American exporters target the large markets of the

Table 1. Estimated worldwide and foreign rental revenues of MPEA members, 1963-1983 (in million dollars).

Year	Worldwide	Foreign Film-TV[a]	% of Worldwide	Foreign TV[b]	% total Foreign
1963	$532	$293	55%	$66	23%
1964	583	319	55%	70	22%
1965	630	343	54%	73	21%
1966	680	361	53%	70	19%
1967	713	357	50%	78	22%
1968	711	339	48%	80	24%
1969	665	348	52%	99	28%
1970	741	360	49%	97	27%
1971	683	347	51%	85	24%
1972	815	388	48%	90	23%
1973	819	428	52%	127	30%
1974	1040	494	48%	150	30%
1975	1090	534	49%	175	33%
1976	1140	571	50%	180	32%
1977	1177	565	49%	210	37%
1978	1550	777	50%	230	30%
1979	1670	889	53%	281	32%
1980	1831	916	50%	320	35%
1981	1992	976	49%	361	37%
1982	2176	1108	51%	421	38%
1983	2425	1311	54%	485	37%

Source: These estimates were derived from industry sources, principally the Motion Picture Export Association, as reported in Television/Radio Age, 13 September 1976, 11 April 1977; Broadcasting, 18 April 1977; Variety, 25 June 1975, 14 June 1978, 13 September 1981; VideoAge, October 1984, and U.S. Industrial Outlook, Department of Commerce, yearly.

note: [a]Theatrical distribution and TV program syndication; [b]TV program syndication only.

industrialized world, except to the extent that a program can be 'bicycled' through a cluster of countries.

A single telefilm dubbed in Spanish frequently is sold throughout Central America on the understanding that after the first country televises the program, the same film print is then shipped to the second and so on until every participating country in the so-called bicycling arrangement has broadcast the program. Bicycling is necessary, the distributors say, because license fees in some countries are so low (less than $100) that the fee collected from just one country would hardly cover the cost of the actual celluloid film, much less production costs or even overhead expenses plus a normal profit.[13]

The producer of a television series often will enter into an agreement with the syndicator early in the production of the series in order to exploit the revenues from foreign sales. The syndicator then sells the series abroad and uses any upfront payments to advance money to the producer to cover deficits in the production budget. The basic revenue agreement between the syndicator and the producer of a program is usually a net arrangement that involves a percentage deduction from the gross syndication revenue which represents the syndicator's distribution fee. For example, the syndicator may receive 30 percent of the revenues from domestic sales, 40 percent of the revenues from Western Europe, and 45 percent of the revenues from smaller or less developed countries.[14]

In roughly descending order of importance, the largest markets are Canada, Great Britain, Italy, Australia, Germany, Japan, Brazil, Mexico, France, and Venezuela. Expressed in dollars, Canada represents 15 percent of the total revenue of American exports, Great Britain and Italy 13 percent each, Australia 12 percent, Germany and Japan 11 percent each. These six countries account for three-fourths of the total dollar income from foreign distribution.[15]

Each country pays a different price for American programming (see Table 2). The price is roughly determined by the number of television sets, the population, and the general income level of the host country. The MPEA supplies its members with confidential information, market potentials, limitations and prospects for the future.[16] Because of greater intensity of effort and less competition, the non-MPEA exporters often bring a very substantial profit from smaller nations compared with that of the seven or eight largest.

Production Costs and Foreign Market

Several developments which began to occur at home and more recently abroad have been pressing U.S. producers and distributors to re-examine the strategies that have so far secured their financial stability. The most critical development is the spiraling costs of production which are forcing syndicators to rely increasingly on sales to foreign markets.

As long ago as 1960, the president of the Motion Picture Export Association pointed out this trend:

> Just as foreign distribution now accounts for more than 50 percent of the major motion picture companies' gross revenues from features, they foresaw the day when the rapidly growing need for TV film programs abroad would bring about a similar situation in the electronic medium. The basic economic factors are identical. With the tremendous and steadily rising costs of production for both medium the domestic market alone cannot support a profitable operation.
>
> The plush days of assured profit from the U.S. market in motion picture production ended many years ago, and the

Table 2. Price range in major international TV markets for two or more runs of U.S.-made 30-minute TV series and feature films, (in US dollars).

Western Europe	TV Series[a]	Feature Films	GNP/Capita[b]	No of TV Sets
Belgium	$1,250 - $1,750	$5,000 - $21,000	$8,628	3,168,000
France	8,500 - 10,000	30,000 - 50,000	9,996	17,949,000
West Germany	8,500 - 18,000	50,000 -150,000	11,682	24,598,000
Greece	700 - 750	3,000 - 3,750	3,959	2,604,000
Italy	6,000 - 48,000	20,000 - 75,000	5,314	17,664,000
Netherlands	2,000 - 2,250	7,500 - 8,500	9,807	4,656,000
Spain	2,000 - 3,000	7,800 - 18,000	4,675	9,870,000
Sweden	2,100 - 2,500	10,000 - 40,000	10,285	3,201,000
Switzerland	1,500 - 2,000	4,000 - 9,000	14,270	2,010,000
United Kingdom	7,500 - 14,000	60,000 -400,000	8,620	20,335,000
NORTH & CENTRAL AMERICA, THE CARIBBEAN				
Canada	14,000 - 20,000	40,000 -200,000	11,725	11,855,000
Mexico	1,400 - 2,000	10,000 - 50,000	2,273	7,500,000
Puerto Rico	1,200 - 1,500	6,000 - 25,000	4,972	850,000
SOUTH AMERICA				
Argentina	1,000 - 1,500	3,000 - 6,000	4,610	5,600,000
Brazil	6,000 - 10,000	15,000 - 30,000	2,360	18,300,000
Colombia	400 - 1,000	2,000 - 5,000	1,435	5,200,000
Venezuela	800 - 1,200	2,500 - 5,000	4,716	2,000,000
MIDDLE, SOUTHEAST, FAR EAST & PACIFIC				
Australia	4,000 - 10,000	75,000 -500,000	10,087	5,530,000
Egypt	400 - 600	1,750 - 2,500	890	1,950,000
Japan	6,000 - 8,000	60,000 -200,000	8,947	29,318,000
Kuwait	450 - 500	2,000 - 4,000	25,850	542,000
New Zealand	600 - 750	1,800 - 3,500	7,585	890,000
Philippines	600 - 1,200	3,000 - 15,000	760	1,010,000
Saudi Arabia	700 - 1,300	3,000 - 5,000	14,117	300,000
South Korea	350 - 500	5,000 - 30,000	1,800	7,000,000
Taiwan	300 - 500	4,000 - 20,000	2,673	3,500,000
Thailand	500 - 750	3,000 - 10,000	800	1,000,000
AFRICA Prices are under $100 for all territories in both categories except the following:				
Nigeria	1,000 - 1,500	4,000 - 6,000	827	1,000,000
South Africa	1,250 - 2,000	5,000 - 7,500	2,500	1,900,000

Source: Video Age, April 1984; Variety, 16 January 1985; The World Fact Book, Central Intelligence Agency, Washington DC, 1984.

Note: [a]Double cost for 60-minute episodes; [b]1982 figures

> same thing is already true of television film. A producer is fortunate today if he can repay his negative costs from network sales. His overhead and possible profit must come from the 'residuals'--rerun sales after the network run and distribution in the international market.[17]

Tables 3, 4, and 5 show the rising cost per categories of shows telecast on prime-time on the major networks.

Over the last decade the cost of a TV situation comedy has escalated 217 percent; that of an action/adventure show, 223 percent, well ahead of the general inflation rate (120 percent). From 1980 to 1983, the figures were respectively, 20 percent and 12 percent. From 1975 to 1983, the average cost of a made-for-TV movie has increased 167 percent. In short, the cost of producing for television is going up faster than advertising revenues thus acting as a net drain on network profits. The networks have been raising advertising prices to offset production costs. ABC recently charged $525,000 for 30-second commercials in the 1984 Super Bowl. Despite this move, ABC profits have stumbled from 20 percent of revenues in 1978 to 13 percent in 1984.[18]

Several factors may explain the soaring production cost. The audience is becoming more demanding. This translates into a decrease in popularity of soap operas and situation comedies, cheaper to produce than made-for-TV movies, but above all, high-budget miniseries. The situation comedies, once among the top-rated shows, did not make the top-ten list in the 83-84 season, although the Bill Cosby Show is on the 84-85 list.

It may be that the networks simply reached the end of their product cycles as All in the Family, M.A.S.H, and others ended.

The networks triggered off a new round of competition among themselves, beginning in 1980. This was caused by the increased strength of new services,

Table 3. Network prime-time program costs, 1971-85.

Year	Average Fall Series Prices Per Hour
1971-72	$200,279
1972-73	205,679
1973-74	212,583
1974-75	212,838
1975-76	254,756
1976-77	310,540
1977-78	362-763
1978-79	413,100
1979-80	418,254
1980-81	556,102
1981-82	571,597
1982-83	638,740
1983-84	661,058
1984-85	724,259

Source: Variety, Fall TV season edition, September/October, various years.

Note: These costs are for regular series only, excluding theatrical and made-for-TV movies.

Table 4. Estimated production cost per film for motion picture made for television.

1975	$750,000
1976	850,000
1977	950,000
1978-79	1,100,000
1980	1,500,000
1983-84	2,000,000

Source: Variety, Broadcasting, industry experts as cited in Millimeter, December 1983, p 178.

Table 5. Miniseries production costs

1977	Roots	$6,000,000
1978	Washington: Behind Closed Doors	7,500,000
1980	Massada	20,000,000
1980	Shogun	22,000,000
1982	Marco Polo	25,000,000
1983	The Thorn Birds	20,000,000
1983	The Winds of War	38,000,000

Source: The New York Times, 4 September 1977, 18 November 1979, 14 December 1980; Ad Age, 19 April 1982, Broadcasting, 21 March 1983, as cited in Millimeter, December 1983, p 188.

Note: Miniseries are defined as more than four hours in length and telecast over more than one night.

principally cable programming and independent TV stations, and by a gradual loss of network shares in prime-time and even daytime.[19] Their collective market share has diminished from an all-time high of 92 percent in the early 1970s to 76 percent today. If the trend continues, it is predicted that by 1990, the network share could drop as low as 60 percent.[20]

In their struggle to produce rating points, the networks have cancelled more and more series before there are enough episodes for syndication (most stations traditionally expect at least 100 so they can strip the series). "The networks are trying to keep that top third of the population that does not care much for series," said Paul Klein of Playboy.[21] This has severely impacted on the price staple of the independent stations forcing them to seek new and, in many cases, exotic ventures in new programs. The end result was the sudden rise in license prices since the 1981 season (see Table 3) which has even escalated during a period of economy-wide recession and low general inflation (1983, 1984).

The production companies have improved their financial situation and hence reduced the so-called production deficit on regular series, but not on made-for-TV movies and miniseries. Whereas network sales of successful first run TV series such as Magnum PI, Simon & Simon, and Knightriders cover most of the cost of production, these sales recoup, on average, only 60-65 percent of the investment in production of miniseries.[22]

There has also been a disappearance of smaller independent network suppliers and a trend toward coproduction ventures between independents and the major movie companies in supplying network programs. As the networks sought to stabilize their market and prevent further erosion to new competitive services, they moved to more expensive program formats such as action-adventure cop series and "ensemble" prime-time dramas. The former, since

it means a switch to film and more on location shooting; the latter since it means adding additional and often expensive cast members such as on Dallas and Dynasty.

The majors may also have increased their studio overhead charges, thus giving the impression of a continuing deficit through accounting gimmickry. While the networks have decried the higher license costs in the last few years and instituted some cost-cutting measures, they are responsible for bidding up salaries of stars and behind-the-camera creative talents in an intense effort to win the ratings war. The networks realize that action-adventure format, but mostly miniseries and made-for-TV movies are one way to carve out a market niche and combat the new program services.

Although they are favored by the audience, miniseries and made-for-TV movies are hardly profitable from the producer's standpoint, with few exceptions like Roots. They are very expensive to produce and, unlike series, they historically have not been suitable for numerous reruns or off-network syndication. Producers have come to realize that revenues from anciliary market, principally from overseas markets, become critical in the financial equation. More often than not, however, these revenues cover the outlay of production cost but no satifactory return to entrepreneurs for supply of time and capital. In addition, the revenues from overseas syndication represent the money received after tax and it takes up to two years for this revenues to be repatriated to the U.S.[23] It may take three years in domestic syndication to begin seeing profit.

An analysis of the company's annual report suggests that MCA counted on foreign sales not merely for its margin of profit, but indeed to make up a small difference left between multimillion dollar domestic deals and exorbitant production costs. Put succinctly, a MCA film series sold only in the U.S. market probably would be a financial loss for the company.

The Process of Internationalization

Although the individual companies competing to sell abroad -- MCA, Viacom, Paramount, MGM/UA, Embassy -- prefer to keep the terms of their deals and their marketing strategies to themselves, the nature of their most expensive productions suggest that they are responding to new economic necessities. The response strategy is based on the very reason that guarantees the popularity of American TV programs abroad, namely, its most popular programs, unlike those in other countries, are produced by the same companies that make the major motion pictures.

This means that the film industry's talents -- writer, musicians, producers, directors and, most importantly, stars -- are involved in a medium that in most other countries is still considered the "enemy" of film.[24] U.S. film stars are highly popular overseas. It comes, therefore, as no surprise that these are leading actors in docudramas or miniseries. This formula leads to the creation of programming for domestic and international markets simultaneously.

U.S. production companies are not inclined to publicly recognize that the preferences of overseas clients are taken into consideration in pre-production phases.[25] They do not want to lose the long-time trust and confidence of their most important customers, the U.S. broadcasters, as well as an aggressive posture vis-à-vis their competitors by suggesting that their operations are conducted on more fragile ground than it first appears.

To cast such internationally known movie stars as Peter O'Toole, Richard Chamberlain, Ingrid Bergman, Robert Mitchum, Liv Ullman, and Richard Burton in dramas like Massada, Shogun, The Thorn Birds, A Woman Named Golda, Winds of War, Jacobo Zimmerman, and Ellis Island is to increase

the chance for a highly profitable syndication in both domestic and foreign markets. It does not, however, always translate into an overall successful financial operation for the producer. MCA, producer of the $20 million Massada in 1980, a miniseries that drew the largest revenue from international sales (20-22%) ended up losing more than $5 million.[26]

The story lines of most of these high-budget dramas are not typically North American anymore. To recoup production costs, stories must also capture the interest of the audience overseas. Holocaust deals with Nazi's atrocities in Europe, Shogun with Asian history, Marco Polo with a Westerner's discovery of the East, Pompeii with Europe's past, The Thorn Birds with the universal Catholic church, A Woman Named Golda with the creation of the State of Israel, Winds of War with World War II, Jacobo Zimmerman with Latin America, Ellis Island with the European immigrants, and Massada with Palestine.

According to a U.S. expert on foreign syndication "There is an assessment of the foreign market when it comes to deal with history, Palestine, the Catholic church, and Jesus."[27] One can truly talk of internationalization of TV programs as a direct response to economic imperatives.

With regard to TV series, Magnum PI, Simon & Simon, and Knightriders are a demonstration of a formula developed over the last twenty years: emphasize filmed action in defining situations and conveying meaning as much as possible in visual terms, reducing in turn any dependence upon dialogue. The formula virtually guaranteed that the product would be interchangeable among cultures or markets with only minimal dubbing procedures. It also meant that telefilms would be cast overwhelmingly in an action-adventure-crime-mystery format, with all the universalistic appeal inherent in any simplistic, Manichaen storyline.[28] The three highly successful action/adventure dramas cited above have been sold in more than 80 countries

including Algeria, Brunei, Dubai, El Salvador, Iceland, Romania, St. Kitts, Surinam, Thailand, and Yugoslavia. These shows have been dubbed in French, Spanish, Portuguese, German, and Japanese. Subtitled versions range from Hebrew to Arabic.[29] Not all TV formats lend themselves to export markets.[30]

The Coproduction Strategy

The most recent trend to counter the effects of spiraling production costs is the coproduction strategy. Because of their oligopolistic power, the three networks have forced U.S. producers, large and small, to spread the risk by developing cofinancing schemes.[31]

Citing rising costs and sharepoints attrition, the three commercial networks themselves have recently moved in more in-house productions. Ironically, the networks, who have always minimized foreign TV organizations' capability to manufacture high quality products, are also moving into international coproduction.

With the emergence of the independents, a market of enormous size has developed. In order to compete with the networks on their ground--the top-rated but high-budget miniseries--overseas alliances have been increasingly seen as the key to more station group productions. Operation Prime Time that mostly serve independents' programming needs capitalizes on the miniseries. The 1982 triple Emmy Award winner A Woman Named Golda was commissioned by OPT to Paramount. Groups of independent stations invested $4 million of the $5 million production budget. Paramount received $1 million from overseas presales. The OPT producers were granted full rights after four years and six reruns by member stations.[32]

Dropped by NCB after its second season for lack of strong ratings, Fame is being carried by an ad hoc network of 128 independent stations. Infused with foreign money, sold in 65 countries, the show gained 13 Emmy nominations.

The 1983 Emmy for best TV special was a syndicated program and a U.S.-British coproduction commissioned by Operation Prime Time, Nicholas Nickleby. In 1984, the same organization co-ventured Nadia, a miniseries about the Rumanian gymnastics star. This international coproduction involved David Bell Productions and Tribune Entertainment Company, in the U.S. with Yugoslavia's Tadran Film which was also associated with Sophie's Choice and The Winds of War.[33]

International Coproduction

As the above analysis has demonstrated, the most effective response strategy to the new economic pressures reshaping the television programming environment, at home and abroad, is the recently developed contractual device of international coproduction.

There are different variants of coproduction, such as merely cofinancing--"silent" partnership as a means of acquiring a share in the proceeds of exploitation and possibly in the copyright. The joint acquisition of a production is a form of cofinancing through the advance purchase of certain territorial transmission rights without creative control. Finally, the 'real' coproduction which is a joint development and joint implementation of a project by contributing in certain areas.

The boundaries between these variants are fluid. Joint purchase of productions can be made conditional on the granting of the right to have a voice in matters of content and artistic approach. It is possible to regard as a particular form of cofinancing the case in which an originator of a production defers payment of his fee in exchange for a certain share in the proceeds related to the degree of success of the production.[34] In a similar light, according to an executive from Embassy Telecommunications, too many foreign telecasters have been "burned" by prebuying what looked like, in a pilot, quality

programming but in effect turned out to be somewhat less. Prebuying is not that extensive and can only be done with outstanding productions like Shogun and Roots.[35]

As noted above, the first reason for coproducing is to cover cost by outside investment since a network sale may not fully cover all "costs" of production (including entrepreneurial risk) of a multimillion dollar miniseries.[36]

Secondly, many producers find that, by working with partners from abroad, and actual production abroad, they can save money through a difference in salary scales and less rigid union rules. The high value of the dollar makes shooting in foreign locales and hiring of indigenous crew members more attractive than ever.

Thirdly, by pooling resources with an offshore entity, a project may become eligible for subsidies and tax benefits that may strengthen a depressed production budget. This may also offer a way of overcoming governmental restriction against exporting foreign exchange. Revenues from international sales, by the majors at least, remain overseas through deals involving "blocked" currencies. Various countries want the firms who license pictures for TV and even for theatrical release to utilize part of the generated income for production in those countries.[37]

Fourthly, a producer can often win an attractive distribution arrangement for new products. International coproduction enables U.S. companies to circumvent import quotas, present in a number of countries, and increase the ability of foreign companies to penetrate the American market.[38]

Finally, there may be visual advantages in shooting in exotic foreign locales. Viewers have become sophisticated and expect high production value.[39]

International television coproduction was initially developed in Europe as a defensive strategy against the domination of U.S. imported fare, as well

as a response to soaring production costs. Constituencies ranging from the artistic community and consumer associations to political parties and labor unions began to express resentment against national broadcasters who, with license fees collected from viewers, were helping 'cultural imperialism', namely, the invasion of domestic TV screens by U.S. program import. Television executives became more responsive to indigenous needs.

Small countries, however, do not have the resources to provide their audiences with a large array of locally-produced programs despite strong demand or preference for it. Italian, French, British, or Brazilian experiences support the prediction of Pool and Tunstall that audience will prefer programming produced in their own countries or cultures when it is available; however, the main deterrent is economic.[40] When programs are made with the active participation of local television organizations as in-house or commissioned productions or as coproductions, they are given scheduling preference over ready-made programs available on the market.[41]

The product life-cycle is the most satisfactory explanation for the increasing sophistication of foreign-made television products today which, in turn, is creating interest among U.S. companies in need of partners. It postulates that the high production quality of U.S. TV programs has set the standard for most of the world. The organizational maturity of a number of broadcasting stations in many parts of the world has led them to compete with their American counterparts on their own ground--by copying U.S. products. The result is a declining reliance on American-made TV programs. The popular telenovelas are the Latin American substitutes for U.S. soap operas. France's TV network Antenne 2 and Telecip, and independent producer, are in the making of a high-budget 130-part series Chateauvallon, the French equivalent of Dallas.[42]

New Developments

The days of little or no competition have ended for U.S. companies. In recent years a dozen nations ranging from Brazil and Mexico to Great Britain, Italy, and Australia have gone into telefilm export markets throughout the world.[43]

If foreign income is to become critical to the revenue equation of a great number of U.S. producers, developments in Western Europe, in particular, should be cause for alarm to those who are engaged in direct sales to overseas clients. A number of countries, generally the largest U.S. clients, have strengthened quotas aimed at limiting the amount of foreign-produced programs that occupy national television screens. The declared purpose is to protect and promote indigenous film and television industries. After decades of infighting, these long-time "enemies" are working together. It is not rare anymore for European TV networks to cofinance movie productions. France, Great Britain, and Germany have erected the highest barriers to TV program import for reasons that pertain in part to the protection of the cultural heritage.[44] They limit the showing of foreign-made programs to respectively 12, 14 and 22 percent of broadcast airtime. Canada and Australia put the limit at 40 percent. In addition, many countries will accept only 10 to 20 episodes of a U.S.-made 100-part series.

Access restriction to the most profitable overseas TV markets could well have a dramatic impact on U.S. programming production. As noted above, coproduction is the most effective way to circumvent these legal obstacles. Even this partnership arrangement must follow certain rules. Coproducers wishing to conduct business in Great Britain must qualify for British nationality, e.g., cooperating with British labor unions, having lab work done there, and coordinating with British banks for financing. Other countries

have some form of tax shelters. Some countries like Italy will cofinance a project if it highlights Italian history.[45]

The biggest of all potential dangers in international coproduction--with its search for material acceptable in several countries, if not worldwide--is the production of bland programming that pleases nobody.[46] There is evidence, however, that this threat is not an imminent one. In fact, according to the director of Société-Radio Canada, "coproduction forces the rise in standards and a sense of our own cultural nationahood."[47] The production value of an internationally coproduced TV program tends to be pushed upward in order to satisfy all parties involved.

A diversity of partners are involved in international coproductions. The 1982 12-part, ten-hour miniseries Marco Polo made for NBC was a coproduction between RAI--the Italian national network, Proctor & Gamble--sponsor of about one-third of the estimated $25-30 million, Dentsu--the Japanese advertising agency, and the People's Republic of China. This cofinancing made it possible to shoot in the PRC.[48]

Television production budgets equalling or even exceeding those of feature films are not longer a rarity. The 12-part series Anno Domini made for NBC in cooperation with the BBC and Italy's Canale 5 is budgeted at $34 million. Television organizations in 40 countries have already opted to take the miniseries even though the shooting is far from being completed. The docudrama Kennedy was cofinanced equally by Alan Landsburg in the U.S. and Central Independent TV in England, and commissioned by NBC. The two miniseries Last Days of Pompeii and Christopher Columbus were produced by RAI in a collaboration with Columbia Picture TV, for the first, and Lorimar, for the second.[49]

Foreign children TV programs now have an easier access to the U.S. market than in the past. ABC entered into copartnership with the French networks for the production of animated cartoons, amounting to $1.2 million. Each party brings in half of the investment.[50]

International coproductions have one more key characteristic: their sound tracks are designed to be universally acceptable. American audiences are accustomed to 30 years of domestic programming and will not accept dubbing or subtitling of foreign-language shows even though both practices are common place in most other countries.[51]

This situation requires that at least one version of all coproductions be narrated or produced in American English. The impact of this requirement on productions shot in non-English speaking countries is remarkable. Perhaps the most striking example is Blood of Others and Louisiana, two coproductions involving Canadian, French, and American partners. Particularly careful planning was required at all stages from the double-shooting of certain close-ups -- a technique whereby identical scenes are shot twice, first in English, then in French -- to the preparation of an international version on three tracks.[52] Another example is Friday, a coproduction of two French networks TF 1 and A2, based on Robinson Crusoe and starring Michael York. This five-hour miniseries is being produced in English as well as in French--proof that even the French have accepted English as the lingua franca of international television.

European coproductions must meet the demands of the U.S. market, which represents 50 percent of the television market world-wide. Dubbing, double-shooting, and other related techniques may raise the original production budget up to 20 percent but these additional costs are easily recouped by profitable U.S. syndication markets.[53]

U.S. broadcasters are becoming seriously interested in getting expensive, high quality programming made by foreign companies for considerably less than it would cost them in the U.S. In the face of ever increasing competition which diminishes the profit margin through large investment in attractive products, time may come when the savings made in choosing a foreign product will outweigh the risks involved.

Television Coproduction and the New Media Arena

The emergence of the new telecommunication technologies in the United States, then in Europe and other parts of the world has dramatically modified the revenue equation of the TV production companies by redistributing power to newcomers. Cable television, pay-TV, and videocassette recorders and DBS have vastly expanded the demand for new products by increasing the number of distribution outlets. An examination of the shift in revenue sources for the movie industry illustrates the transformation of the media environment.

The drop of foreign and domestic theater attendance has forced movie studios to rely on sales to television stations, cable operators, and home video distributors for as much as 32.3 percent of their total 1983 revenue. The 1977 figure was 5.1 percent. Media prognosticators estimate this share at up to 50 percent by 1990.[54]

In 1984, 43 percent of U.S. households had cable, 22 percent pay-TV, and 19 percent owned a videocassette recorder. For the year 1990, projection figures are 54 percent, 36 percent, and 39 percent, respectively. Pay cable is expected to dominate the other pay-TV systems.[55]

The foreign market has not remained static. Cable franchising, satellite distribution systems, videocassette recorders, and the emergence of commercial stations are transforming the European media scene.[56] New overseas syndication and coproduction opportunities have taken a few years to develop. This

evolution is illustrated by the trend and magnitude of income from foreign syndication of TV programming earned by the largest TV producer/distributor, MCA-TV whose overseas revenues account for 20 to 23 percent of the U.S. industry's total foreign earnings.

Table 6 shows that the share of revenues from foreign distribution has decreased and since 1978, it represents around 25 percent of the total syndication revenues. New technologies have increased the number of distribution outlets in the domestic market. The growth of cable/pay cable television has offered producers and syndicators the advantage of easy access to certain markets without the disadvantage of having to deal with the powerful, entrenched network structure. Because of these recent developments, the rate of increase in revenue from domestic syndication has been faster than the rate of increase in revenue from foreign syndication; the importance of the international market diminished in relative terms. Column 6 in Table 1 reflects a parallel trend although not with the same intensity since foreign revenues generally represent a larger portion of world-wide revenues for most of the production/distribution companies smaller than MCA.

This downward trend stopped in the early 1980s when the foreign countries caught up with the United States in adopting the same technology. Cable is now developing rapidly in Europe. In fact, the cable penetration in some of the smaller countries is much higher than in the United States. Belgium has a cable household penetration of 85 percent; Holland, 60 percent; Switzerland, 52 percent.[57] In addition, the traditional policy that closed the doors to commercial broadcasters (in favor of public broadcasting) is losing ground. The commercialization of television systems among the traditional buyers of American-made TV programs is continuing to develop. All this means a growing need for telecast material.

Table 6. Earnings from television syndication by MCA, 1976-83 (in million dollars)

Earnings	1976	1977	1978	1979	1980	1981	1982	1983
Distribution Earnings	$250	$340	$493	$619	$719	$812	$914	$1008
Network Rerun	149	201	291	362	441	505	573	636
Total Syndication	101	139	202	257	278	307	341	372
Foreign Syndication	37	42	48	59	69	83	102	123
% of Total Syndication	37%	30%	24%	23%	25%	27%	30%	33%

Source: Annual reports (Form 10-K) filed by MCA to the Securities and Exchange Commission

In the U.S. sphere, pay-TV services themselves, such as HBO and Showtime are becoming heavily involved in partnership arrangements with foreign companies. This increased reliance on international coproduction to provide programming material for all types of domestic media outlets accounts for the upward trend in foreign syndication revenues that started in 1980. "Foreign Syndication" in Table 6 also includes revenues derived from coproductions. It may be anticipated that in the second part of this decade, the growth of the overseas television market will parallel the growth of the U.S. market and will result in a stabilization of the percentage of total revenues derived from overseas distribution at around 33-35 percent.

The expansion of media outlets abroad could have offered an opportunity for U.S. companies to return to the foreign syndication strategy of the 60s, namely, the outright sale of all types to TV programs to needy clients. Instead, the flourishing cable industry in Europe, especially, will force U.S. TV producers and distributors in coproduction deals to meet stringent content and other regulations. Furthermore, certain constituencies fear that privately-owned cable systems could erode the position of the fee-supported national networks that operate as public service entities.

Cable regulation could impose more limitations than the broadcast regulation. The most stringent regulation over cable programming content is enforced by Germany's Rhineland-Palatinate Office for Cable Communication. It requires that program suppliers be licensed by the state government. Programming must be approved in advance by a review committee made up of representatives from all significant political, social, cultural, educational, and religious groups.[58] To circumvent these protectionistic ground rules governing cable activities abroad, many U.S. companies are entering the promising overseas markets in partnership with a diverse array of foreign companies.

Viacom International, Inc., a film distributor that operates cable television systems and owns the pay-TV service Showtime has reached agreement with Visionhire Cable Ltd., a British cable system operator.[59] Cox Cable Communication is entrenched in European cable TV with its 50 percent interest in Stifa, the largest private TV company in Denmark. American Television and Communications, the largest U.S. cable company, with 2.1 million subscribers and 467 franchises is a partner in various cable consortia with British companies.

There already are a number of strong partnership ties between foreign companies and American hardware and software suppliers interested in cable TV ventures. These companies include Scientific-Atlanta, Oak Industry, Warner Amex's MTV: Music Television, Citibank, First of Boston, Home Box Office, and ABC Video Enterprises.[60] These arrangements facilitate coproduction.

HBO and Showtime cannot afford to cover the production costs of all two-hour made-for-TV movies they want to offer. Of the 15 films released by both pay-TV services in 1983-84 only one title was produced within the United States. According to a Hollywood Reporter study, the total investment in films by the two services was 31.5 million while total budget exceeded $68.5 million. The remaining $37 million came from foreign sources. Regarding budgets, HBO spent an average of $2 million each for 13 films budgeted at $4 million. The strategy followed is simple: instead of spending an average of $4 million on each of 12 movies, HBO pays $2 million apiece and commissions 24 titles from the same investment and less risk.[61]

The other pay-TV services, such as Showtime, Playboy, and Disney Channel follow identical courses for the same reasons. Foreign producers and broadcasters find similar advantages by contributing the other 50 percent of the budget. In exchange they are granted distribution rights to their homeland

or a larger territory, depending on each deal.[62]

Actually, we are evolving into a worldwide market rather than separate countries. International program distributors are beginning to wonder if the proliferation of satellite-fed programming services across Europe, in particular, requires a shift away from selling program rights to individual countries. Putting programming up on a satellite in Europe creates footprints by language. This problem may be alleviated by having coproduction partners in as many countries as possible.[63] Yet there is far more complexity to the question of DBS programming than cause for alarm. The new international audience will presumably demand a new sort of programming, and the search for material suitable for DBS, on the one hand, and for international coproductions, on the other, may well turn out to be closely linked.[64]

Conclusion

Over the past twenty years, the position of the U.S. television industry in the world has been fundamentally altered. Under the combined impact of developments taking place at home and abroad, the economics of television production has undergone dramatic changes.

At a time when income derived from foreign markets is critical to the revenue equation of many U.S. television producers, American-made programming is experiencing the pressure of international competition. The overseas market is no longer the passive recipient of U.S. television imports. The media industry has reached maturity in a number of countries, not only in Europe, but also in Australia, Japan, Brazil, and Mexico, where they have begun exporting television programs worldwide.

In view of the emerging alternative media outlets, two scenarios can be drawn:

1) The commercialization of broadcasting abroad, the fast-growing cable

franchising along with pay cable services, the numerous satellite distribution projects, and the increasing penetration of videocassette recorders will help create a vast demand for programming that indigenous production companies will be unable to meet. U.S. television programming manufacturers will, then, regain an uncontested leadership and return to the strategy of the 50s and 60s, namely, the outright worldwide syndication of TV products. It might lead to the "Americanization" of the international media arena;

2) The coming of age of the television industry abroad, the continuing trend toward more coproduction among European broadcasters, the increased sophistication of television production, and the existence of barriers to import will make it difficult for U.S. companies to take full advantage of these important revenue-producing overseas markets without resorting to coproduction with foreign partners. Conversely, coproduction will enable non-U.S. producers to finally crack the American market and meet domestic demands for new products. This process might accentuate the internationalization of television programming.

The weight of the evidence gathered so far suggests that scenario 2 may be more likely. Unlike their American counterparts, foreign parties, the Europeans, especially, have been actively engaged in coproduction for almost fifteen years and are now taking an aggressive posture vis-ã-vis overseas markets, the U.S., in particular, where the growth of new distribution outlets could absorb a great deal of non-American products. The long-held assumption about rejection of dubbed or subtitled programming in the United States may well be challenged in the future by economic imperatives. Soaring production costs and harsh competition show no sign of slowing down. Time will come when the savings in choosing a foreign product will outweigh the risks involved.

Copartnership is foremost a product of necessity; it enables U.S. tele-

vision companies to offer expensive, high quality programming to an increasingly diversified audience. International coproduction is, indeed, the ultimate response strategy to the new dynamics of worldwide television programming.

Notes

[1]Some of the producers and distributors who provided information include Charles Michelson, Inc.; ABC Video Enterprises, Inc.; Gould Entertainment, Inc.; Embassy Telecommunications; Western-World Television, Inc.; MCA TV International; Columbia Pictures International Corporation; Cinema Share International Television, Ltd.; International Releasing Corporation; King Features Entertainment; Radio & Television Packagers, Inc.; Telepictures Corporation; Comworld Pictures, Inc.; Worldwide Entertainment Corporation; Multimedia Entertainment.

[2]Wilson P. Dizard, Television: A World View (Syracuse: Syracuse University Press, 1966), p. 157.

[3]Kaarle Nordenstreng and Tapio Varis, "International Flow of TV Programmes," in J. Caughie (ed.), Television Ideology and Exchange (London: British Film Institute, 1978), p. 64.

[4]Variety, November 27, 1963.

[5]Early television had not used film because film runs twenty-four frames per second while television uses thirty. The development of the telecine chain in the fifties removed this limitation. The kinescope version of taped shows (film taken from television screen) was inferior to film because of graininess. On the other hand, film could be edited, shipped abroad for foreign consumption and reused for the summer reruns in the U.S. Bruce M. Owen, Jack H. Beebe and Willard G. Manning, Television Economics (Lexington, MA: D.C. Heath, 1975), Chapter 1.

[6]Garth Jowell, Film: The Democratic Art (Boston: Little, Brown and Company, 1976), p. 336.

[7]Owen, Beebe and Manning, op cit, p. 112; Barry Litman, "The Economics of the Television Market for Theatrical Movies," Journal of Communication, Vol. 29, No. 4 (Autumn 1979), pp. 22-26.

[8]Thomas H. Guback, "The International Film Industry," in G. Gerbner (ed.), Mass Media Policies in Changing Cultures (New York: John Wiley & Sons, 1977), p. 22.

[9]Webb-Pomerene Association: A 50-Year Review, Federal Trade Commission (Washington, D.C.: U.S. Government Printing Office, June 1967), p. 34.

[10]Federal Communications Commission, 47 CFR 76.5.

[11]Barbara A. Moore, "Syndication of First-Run Television Programming: Its Development and Current Status," Ph.D. Dissertation, Ohio University, 1979, p. 110.

[12]Thomas H. Guback and Tapio Varis, "Transnational Communication and Cultural Industries," Reports and Papers on Mass Communication, No. 92, UNESCO, 1982, p. 18, note 6.

[13]William H. Read, America's Mass Media Merchants (Baltimore: The Johns Hopkins University Press, 1975), p. 25.

[14]New Television Networks: Entry, Jurisdiction, Ownership, and Regulation, Federal Communications Commission, Network Inquiry Special Staff, Vol. 2, October 1980, pp. 438-439.

[15]Video Age International, July 1983, p. 31.

[16]Elizabeth de Cardona, "American Television in Latin America," in G. Gerbner (ed.), op cit, p. 61.

[17]Quoted in Interim Report on Television, Motion Picture Export Association of America, October 21, 1960, p. 14.

[18]"Program Prices: The Survey," View, January 17, 1985, p. 46.

[19]John von Soosten, President of the National Association of Television Program Executives noted that the demise of situation comedies on the networks is mostly due to the emergence of independent stations which schedule not only popular off-network sit-coms but high-budget miniseries and made-for-TV movies, domestically and internationally coproduced. Ten years ago, independent stations were responsible for 31 percent of total TV stations' expenditure. In 1984, that figure has grown to 60 percent representing a dollar amoung of $1.63 billion. During the same period, the network affiliates have gone from 60 percent of the total to 40 percent in 1984, translated into a low $425 million. "NATPE President Addresses Symposium," NATPE Programmer, October 1984, p. 26.

[20]Findings of a study released at the 1983 conference of the National Association of Broadcasters which revealed that only 57 percent of Americans are now satisfied with what they see on TV--a major switch from an earlier study done six years ago. World Broadcast News, June 1983, p. 1.

[21]Quoted in Millimeter, December 1983, p. 198.

[22]Personal letter from an executive at Radio & Television Packagers, Inc., who wished to remain anonymous, February 1984.

[23]Ibid.

[24]Peter Caranicas, "U.S. Program Exports Are Now a Half-Billion Dollar Business," Channels of Communication, January-February 1984, p. 30.

[25]Viacom's Lawrence Hilford said, however, that he tends "to be sensitive to shows that flaunt the American flag and would rather not have any U.S. telefilms be specifically nationalistic so as not to offend foreign sensitivities." Quoted in Armand Mattelart, Multinationales et Systemes de Communication (Paris: Editions Anthropos, 1978), p. 238. According to producers at Warner Bros. and MCA TV, "it is a necessity to take into consideration the international audiences' tastes when preplanning a docudrama or miniseries... Preproduction and casting of recent high-budget miniseries has been made after a correct appreciation of the foreign market." Quotes from personal interviews for which the author agreed not to use explicit attribution, held in May 1983.

[26]Telephone interview with a top executive at MCA TV International who has requested anonymity, March 1984.

[27]Telephone interview, February 1984.

[28]Richard Bunce, Television in the Corporate Interest (New York: Praeger Publishers, Inc., 1976), pp. 78-79.

[29]World Broadcast News, April 1984, p. 9.

[30]A vice president of Embassy Telecommunications International who asked that his words be not attributed, pointed out that due to the problems of dubbing, situation comedies do not work as well as action dramas with the notable exception of Diff'rent Strokes. Sold in 70 countries, this show heavily relies on visuals. Personal letter, March 1984.

[31]Guback and Varis, op cit., p. 32.

[32]Allison Reilly, "OPT Running Strong Eight Years Later," Electronic Media, August 30, 1984, p. 8.

[33]John Storm Roberts, "International Programming: No Longer Us and Them," NATPE Programmer, May-June 1984, p. 20.

[34]Jochen Wünsche, "International Television Coproduction in Europe," EBU Review, Vol. 35, No. 4, July 1984, p. 20.

[35]Personal letter, March 1984.

[36]Jose Maria Villagrasa, "Building TV Production to Longer Series," TV World, March 1984, p. 20.

[37]Personal letter from a top manager at Charles Michelson Incorporated who requested not to be identified, February 1984.

[38]Heinz Ungareit, "Television Coproductions--On the International Level and With the Cinema," EBU Review, Vol. 29, No. 3, May 1978, p. 24.

[39]Roland Ladouceur, "The Challenge of Producing for Transnational Audience," EBU Review, Vol. 35, No. 3, May 1984, p. 13.

[40]See Ithiel de Sola Pool, "The Changing Flow of Television," Journal of Communication, Vol. 27, No. 2 (Spring 1977), pp. 139-149; Jeremy Tunstall, The Media Are American (New York: Columbia University Press, 1977).

[41]Wunsche, op cit, p. 31.

[42]Television/Radio Age International, February 1984, p. 38.

[43]"International Barter New Frontier, New Media Needs," Video Age International, April 1984, p. 24.

[44]Telephone interview with a distributor at Gould Entertainment, Inc. for which the author agreed not to use explicit attribution, February 1984.

[45]"Coproduction: The Future is Now," World Broadcast News, June 1983, p. 22.

[46]Joseph Phillips, "Film Conglomerate Blockbusters," Journal of Communication, Vol. 25, No. 2 (Spring 1975), pp. 171-183.

[47]World Broadcast News, June 1982, p. 9.

[48]Alan Landsburg, a veteran of American television production explains: "If you did a movie, maybe the most you could expect from British revenue is $100,000. But if you coproduce with them they might put as much as $1.5 million into the pot. Not only is that a coproduction savings, it can increase the creative scope of what you are doing." Quoted in Millimeter, December 1983, p. 198.

[49]Alan L. Gansberg, "Coproduction: A Way of Life," NATPE Programmer, November 1983, p. 6.

[50]Elizabeth Jensen, "Children's Shows Draw U.S. Into Foreign Markets," Electronic Media, November 1984, p. 42.

[51]No French production has ever crossed the Atlantic. American viewers hardly tolerate British accents. Outside the big cities, it is hard to find any station that schedules the Benny Hill Show, which is, along with Monty Python's Flying Circus, the nearest thing to a breakthrough overseas show yet seen. TV World, March 1984, p. 32.

[52]"Audio Post-Production," Televisual, January 1985, p. 44.

[53]Personal letter from a top executive at Western-Wold Television, Inc. who has requested anonymity, April 1984.

[54]Business Week, February 21, 1983, p. 34.

[55]Cable Television Factbook 1984 (Washington, DC: Television Digest, Inc., 1984).

[56]For further details see Wendy Rogovin, "Cable Growth in Europe Spurred by Satellite, Local Origination," Video Age International, April 1984, pp. 57-58.

[57]"Newsreel," EBU Review, Vol. 35, No. 5, Spetember 1984, p. 44.

[58]In France, in order to avoid another anarchical situation like the one in Italy, the local cable management firms will have a number of responsibilities including the restriction of foreign programming to 30 percent. In Holland, advertising which finances for a quarter the existing public broadcasting system will be severely limited on cable. Cable bills contain quotas on programming import. "Cable Communication Reaches a New Beginning," World Broadcast News, November 1984, p. 28.

[59]The New York Times, June 25, 1984.

[60]Variety, January 19, 1984.

[61]Cited in Ladouceur, op cit., p. 13.

[62]The Economist, June 13, 1984, p. 71.

[63]"The Future of DBS," Video Age International, April 1984, p. 18.